

LEGISLATIVE BUDGET BOARD
Austin, Texas

FISCAL NOTE, 80TH LEGISLATIVE REGULAR SESSION

March 15, 2007

TO: Honorable Royce West, Chair, Senate Committee on Intergovernmental Relations

FROM: John S. O'Brien, Director, Legislative Budget Board

IN RE: SB462 by Harris (Relating to the allocation of revenue from the municipal hotel occupancy tax for the arts for certain municipalities.), **Committee Report 1st House, Substituted**

No fiscal implication to the State is anticipated.

The bill would add a new section to Chapter 351 of the Tax Code, relating to the allocation of the municipal hotel occupancy tax revenue for the arts for certain municipalities. Under the bill, certain municipalities with a population of more than 190,000 may use an amount up to 15 percent of its hotel occupancy tax collections for the purposes provided by Section 351.101(a) (4), if the municipality is located in a county in which another municipality with a population of more than one million is predominately located. A municipality may use an annual amount up to \$1.6 million in hotel occupancy tax in addition to the afore-mentioned 15 percent.

Currently only Irving and Garland meet the criteria established in the bill.

The new section established by the bill would expire September 1, 2022.

Local Government Impact

Because the bill would not have statewide impact on units of local government of the same type or class, no comment from this office is required by the rules of the House/Senate as to its probable fiscal implication on units of local government.

Source Agencies: 304 Comptroller of Public Accounts

LBB Staff: JOB, DB, SD, CT, EB, KJG